



Department of Medical Assistance Services
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Richmond, Virginia 23219

www.dmas.virginia.gov

MEDICAID PROVIDER MANUAL UPDATE

TO: All *Durable Medical Equipment and Supplies* providers participating in the Virginia Medical Assistance Program, Managed Care Organizations and holders of the *Durable Medical Equipment and Supplies* Medicaid Provider Manual

UPDATE: DME- 01-04

FROM: Patrick W. Finnerty, Director
Department of Medical Assistance Services

DATE: 3/19/2004

SUBJECT: Update to Second Edition of the *Durable Medical Equipment and Supplies* Provider Manual

The purpose of this memo is to notify you of changes to your provider manual and notify you of changes to Durable Medical Equipment (DME) billing. The attached table shows the changes to the manual. Please download the new pages to insert in your manual and retain the attached table.

The amendments to Appendix B update the local codes to the corresponding national HCPCS codes.

In addition to the update of the national codes in appendix B, several other billing issues are addressed in this memorandum including: (i) the use of national codes and rates, effective January 1, 2004; (ii) the use of multiple miscellaneous codes within one prior authorization and claim; (iii) the use of modifiers for DME; (iv) Certificates of Medical Necessity; (v) adjustments of previously paid DME claims; and (vi) the use of rolling month edits.

NATIONAL CODES AND RATES

Effective January 1, 2004, providers are required to use national HCPCS codes when billing for DME. A crosswalk of local and national codes is available on the DMAS website at www.dmas.virginia.gov. Items that do not have a Durable Medical Equipment Regional Carrier (DMERC) rate, with the exception of nutritional supplements, shall be reimbursed the lower of the state agency fee schedule that existed prior to July 1, 1996, less 4.5%, or the actual charge. Nutritional supplements shall be reimbursed cost plus 5% (*see* Chapter IV of the DME Manual).

These rates have been incorporated in this update to Appendix B of the DME Manual and have already been provided to the Prior Authorization (PA) contractor (WVMI). As new national codes become available, Appendix B will be updated accordingly. Once a national code becomes available for an item, the E1399 code can no longer be used for those items. The table below outlines the applicable payment methodology for various DME items.

DME ITEM	RATE
1. DME items that have a national code and a DMERC rate	Rate will be the DMERC rate.
2. DME items that have a July 1, 1996 rate, but do not have a national code	Bill the E1399 code (miscellaneous). The rate will continue to be the July 1, 1996 rate.
3. DME items that have a national code, but do not have a DMERC or a July 1, 1996 rate	Rate will be the usual and customary charge to the general public.
4. DME items that do not have a national code, and do not have a July 1, 1996 rate	Bill the E1399 code (miscellaneous). Rate will be the manufacturer's cost, plus 30%.

MULTIPLE SERVICES AND MISCELLANEOUS CODES

Currently, DME providers receive prior authorization (PA) through WVMI for DME. The PA report that providers receive lists the individual lines requested for authorization as either approvals, denials or rejections. The PA file combines all like miscellaneous DME codes into one 'rolled up' line, which carries the status of AC (approved combined). Currently providers do not see the AC line on their PA report.

In order to bill for miscellaneous DME lines, providers will need to total the authorized amounts as well as the authorized units for each of the miscellaneous codes and submit this total or 'rolled up' amount as one line item on the claim. Providers will need to use the earliest approved 'from' date and the latest approved 'through' date on the claim as well.

DMAS is in the process of correcting the reports to show the AC line. This change will eliminate the need for the provider to total these related services.

DME MODIFIERS

Effective with dates of service on and after January 1, 2004, DMAS no longer recognizes modifiers used for DME codes with two exceptions: (i) the nationally established modifier for rental items, which is "RR" for the DME program; and (ii) the modifier of U1 for extra absorbent diapers. Please see the updated Appendix B for the appropriate codes and modifiers for diapers.

CERTIFICATES OF MEDICAL NECESSITY

With the expiration of existing Certificates of Medical Necessity (CMNs), providers will need to submit new CMNs with the new national codes. DMAS will honor all CMNs associated with local codes (DMAS specific procedure codes) created prior to January 1, 2004.

ADJUSTMENTS TO PREVIOUSLY PAID CLAIMS

Due to an identified problem, the VAMMIS is not recognizing the Claim Reference Number (ICN) of paid claims that were submitted prior to VAMMIS implementation on June 20, 2003, and that have been resubmitted as adjustments after June 20, 2003. This VAMMIS problem has been corrected and the ICN should now be recognized. Providers will need to resubmit any denied claims for processing with either the old ICN, or if known at the time of resubmission, the new ICN.

ROLLING MONTH EDITS

VAMMIS edits related to service limits using the “rolling month” concept required billing of the services no less than every 31 days (1 month), 61 days (2 months), 91 days (3 months), etc. These edits are now being modified to require billing no less than 26 days (1 month), 56 days (2 months), 86 days (3 months), etc. Any provider’s claims that show on the Remittance Advice (RA) as denied for edit 0383 with an associated “rolling” edit message should notify DMAS’ Provider Helpline so the appropriate edit may be modified to reflect the correct time frame.

ELIGIBILITY AND CLAIMS STATUS INFORMATION

DMAS offers a web-based Internet option to access information regarding Medicaid eligibility, claims status, check status, service limits, prior authorization, and pharmacy prescriber identification information. The website address to use to enroll for access to this system is <http://virginia.fhsc.com>. The MediCall voice response system will provide the same information and can be accessed by calling 800-884-9730 or 800-772-9996. Both options are available at no cost to the provider.

COPIES OF MANUALS

DMAS publishes electronic and printable copies of its provider manuals and Medicaid Memoranda on the DMAS website at www.dmas.virginia.gov (*please note the new DMAS website address*). Refer to the Provider Column to find Medicaid and SLH provider manuals or click on “Medicaid Memos to Providers” to view Medicaid Memoranda. The Internet is the most efficient means to receive and review current provider information. If you do not have access to the Internet, or would like a paper copy of a manual, you can order these by contacting Commonwealth-Martin at 804-780-0076. A fee will be charged for the printing and mailing of the manuals and manual updates requested.

“HELPLINE”

The “HELPLINE” is available Monday through Friday from 8:30 a.m. to 4:30 p.m., except State holidays, to answer questions. The “HELPLINE” numbers are:

786-6273	Richmond area
1-800-552-8627	All other areas

Please remember that the “HELPLINE” is for provider use only.

DURABLE MEDICAL EQUIPMENT AND SUPPLIES MANUAL
REVISION CHART
March 19, 2004

SUMMARY OF REVISIONS

MANUAL SECTION	MATERIAL REVISED	NEW PAGE NUMBER(S)	REVISED PAGE(S)	REVISION DATE
Appendix B	Appendix B		Entire Appendix B	3/19/04

FILING INSTRUCTIONS

MANUAL SECTION	DISCARD	INSERT	OTHER INSTRUCTIONS
Appendix B	Old Appendix B	New Appendix B	



COMMONWEALTH of VIRGINIA

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APRIL 12, 2004

NOTICE REGARDING THE 01-04 DURABLE MEDICAL EQUIPMENT (DME) APPENDIX B UPDATE

FOR “WEB VERSION” ONLY

The 01-04 Durable Medical Equipment (DME) Appendix B Manual Update was withdrawn from the Department of Medical Assistance Services (DMAS) website. DMAS is currently in the process of preparing a new update to Appendix B and implementing the necessary system changes and data entry issues to efficiently accommodate the new DME rates and national codes. A Medicaid Memorandum will be sent to providers when the system changes and data entry issues are resolved. The Appendix B update will be posted to the DMAS website as soon as it becomes available.

We apologize for any confusion and inconvenience this may have caused.